BRIEF OF PETITIONER IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

STATEMENT OF CASE.

This is a petition to review by certiorari the judgment of the Circuit Court of Appeals for the Seventh Circuit, affirming a final decree entered by the District Court for the Northern District of Illinois, Eastern Division.

The plaintiffs were the Grand Rapids Furniture Company, the Grand Rapids Chair Co., the Grand Rapids Upholstery Co., and twenty-two other corporations and two partnerships, who filed their complaint for injunction against the Grand Rapids Furniture Co., an Illinois corporation, and six individuals. It alleged sufficient facts to show diversity of citizenship, and alleged, in general terms, "the amount involved herein exceeds the sum of three thousand dollars ($3,000.00) exclusive of interest and costs", and alleged that the plaintiffs will sustain irreparable injury unless the relief prayed for is granted, exceeding the sum of three thousand dollars ($3,000.00), exclusive of interest and costs.

The complaint further alleged that each of the corporations except one, and each of the partnerships has been for many years, and is now, engaged, in the city of Grand Rapids, Michigan, in the business of manufacturing and selling furniture, in which the plaintiffs have invested several millions of dollars in plants and advertising. The complaint further alleged that the business of manufacturing and selling furniture has for many years been the principal industry of the city of Grand Rapids, which is a large and important center of

the furniture industry, which fact is generally known to the public, and that furniture manufactured in the city of Grand Rapids has for many years enjoyed widespread popularity, good will and demand throughout the United States, and that the words "Grand Rapids Furniture" have acquired in the trade a special significance, and that furniture known to be of Grand Rapids production is held by a large part of the purchasing public to be superior in design, workmanship and value to the grades of furniture produced elsewhere, and there are among the purchasing public many who prefer Grand Rapids furniture to furniture made elsewhere, and "Grand Rapids furniture" is, and the public understands it to be, furniture manufactured in the city of Grand Rapids.

The complaint further alleged that the method of marketing the goods of the plaintiffs is through established dealers in the retail furniture trade, and by refusing to sell direct to consumers, and that the plaintiffs have secured the confidence and good will of dealers throughout the United States, through the practice of honest merchandising, followed for many years by the plaintiffs, and they have acquired the good will of the furniture purchasing public and furniture dealers for Grand Rapids furniture in the value of many millions of dollars.

The complaint further alleged that the defendant, Grand Rapids Furniture Company, has never had a factory in Grand Rapids, Michigan, but was organized by the individual defendants for the purpose of deceiving the public, and leading prospective purchasers to believe that the defendant had some connection with a Grand Rapids furniture factory, and sold Grand Rapids furniture, and that the defendant has been engaged in selling

at retail, cheap, inferior furniture, not manufactured in Grand Rapids.

The complaint further alleged that the plaintiffs had suffered damages in the amount of $25,000, and would suffer further damage to the extent of $25,000, unless the defendant be restrained. After alleging no adequate remedy at law, the complaint prayed a preliminary injunction against the defendant from selling or offering for sale as the product of the factories in Grand Rapids, or as Grand Rapids furniture, any furniture not in fact the product of that city, and from affixing to such furniture any label containing the words "Grand Rapids", and from using the words "Grand Rapids" in such a way as to lead the public to believe the furniture to be that which is the product of the factories in the city of Grand Rapids, and from using the words "Grand Rapids" in advertisements offering for sale or marketing furniture, not in fact the product of the factories of the city of Grand Rapids, Michigan, and from selling goods manufactured elsewhere than in Grand Rapids, Michigan, as and for goods manufactured in that city, and from using the name "Grand Rapids" as the designation or style of a retail store in which less than a representative stock of goods, which are the product of the furniture factories in the city of Grand Rapids, Michigan, is offered for sale, and from operating as a corporation under the name of "'Grand Rapids Furniture Co." or any name using the words "Grand Rapids", and from using any such corporate entity already existing.

A preliminary injunction was issued restraining the defendant in the terms as prayed for in the complaint. The defendant appealed from that interlocutory decree, and after the affirmance of that decree by the Circuit

Court of Appeals, the defendant filed its answer on the merits, in which it expressly denied that the amount involved exceeds the sum of $3,000, exclusive of interest and costs, and expressly denied that the words "Grand Rapids" have acquired in the trade any special significance.

The answer of the defendant also denied any fraudulent purpose in its organization, denied that the plaintiffs or any one or more of them incurred damages in the sum of $25,000, or in any other amount, and denied that the plaintiffs or any one or more of them will suffer any damages in the future.

The answer further denied that the Grand Rapids Furniture Company of Grand Rapids, Michigan, has been damaged or will be damaged in any amount by the use by the defendant of its corporate name, and denied any competition between the plaintiff and the defendant, and denied that the defendant had ever represented that it was a branch or subsidiary of or affiliated with the plaintiff, Grand Rapids Furniture Company.

The answer further denied that the defendant ever claimed or represented to any person that the furniture sold by it was the goods of the plaintiffs or any one or more of them, except such furniture sold by the defendant as was actually produced and manufactured by some one or more of the plaintiffs, and sold to the defendant for resale.

The answer further denied that the plaintiffs or any one of them have adopted the words "Grand Rapids", or the words "Grand Rapids furniture", as the trade name of furniture manufactured, produced and sold by the plaintiffs, or any one or more of them, and denied

that the defendant intended to damage the plaintiffs, or any of them, or that it damaged the plaintiffs or any of them by the use of the words "Grand Rapids" in its corporate name.

The answer further alleged that the words "Grand Rapids" are open to use by any person, providing that such person does not by the use of said words pass off or attempt to pass off his goods as the goods of any other person.

A trial was had in which evidence was taken in open court. A witness for the plaintiffs testified that he had determined the amount of money which the various plaintiffs have invested in plant and equipment, for manufacturing furniture, to be eight to ten million dollars (Tr. 21); that the investment in national advertising for the plaintiffs over a period of years would be in the neighborhood of two million dollars, and that the sales of the plaintiffs in the Chicago district average approximately $800,000 a year (Tr. 21). He did not know how many furniture manufacturers there are in the city of Grand Rapids, and he did not know how many members the Furniture Manufacturers Association has. He said that the Association does not include all the manufacturers in the city of Grand Rapids (Tr. 23).

The second witness for the plaintiffs testified that his company, the Grand Rapids Furniture Company of Grand Rapids, Michigan, has approximately $250,000 invested in plant and equipment in Grand Rapids, Michigan (Tr. 26); that his company does no national advertising direct to the consumer, that his company does not sell direct to the consumer, and that his company has not spent any money in national or consumer advertising,

and that the annual sales volume of his company in the Chicago district is around $40,000 or $50,000 (Tr. 26-27).

Six other witnesses testified for the plaintiffs as to a number of dealings which they had with the defendant company. They all testified to some more or less vague misrepresentations made by the salesmen of the defendant in the sale of furniture, or breaches of warranty, but all admitted that they kept the furniture, which was delivered to them, and paid for it in full, all, but one, without pressure of any legal proceedings.

At the conclusion of the hearing, the Court made certain findings of fact as follows: That the value of the matter in dispute exceeds the sum of $3,000, exclusive of interest and costs; that the plaintiff, Grand Rapids Furniture Company, was organized under the laws of the State of Michigan, and has its principal office and place of business in the city of Grand Rapids, Michigan where it has been engaged in the business of manufacturing and selling household furniture since 1907, that it has an investment of one-quarter of a million dollars, and that the volume of its sales in the Chicago district has been from $40,000 to $50,000 per year to 15 or 20 dealers, and has never had any dealings with the defendant, and never sold any merchandise to it or manufactured any goods for it; that all of the other plaintiffs have invested in excess of eight million dollars in plant and equipment, and that the investments of the plaintiffs in national advertising and the development of good will for Grand Rapids furniture is in excess of $1,750,000; that the city of Grand Rapids is a large and important center of the furniture industry, which fact is generally known to the public, and that furniture manufactured in Grand Rapids has, for many years, enjoyed a widespread popularity,

good will, and demand, and that the words "Grand Rapids" have acquired a special significance; that furniture made in Grand Rapids is held by the purchasing public to be superior in design, workmanship and value and that many purchasers prefer Grand Rapids furniture to furniture made elsewhere; and that "Grand Rapids furniture" is understood by the public to be furniture manufactured in the city of Grand Rapids, Michigan; and that the plaintiffs have acquired the good will of furniture dealers for Grand Rapids furniture of the value of several million dollars; that the defendant has engaged in certain practices (enumerating substantially the practices set forth in the complaint) well knowing that the name "Grand Rapids" was a common law trade name of great value to the plaintiffs, and has irreparably injured the good will of the plaintiffs; that the plaintiffs will be damaged in an amount greatly in excess of $3,000, exclusive of interest and costs, if the products of the Grand Rapids furniture factories are confused with the products of other factories, and if the defendant continues in the use of the words "Grand Rapids" in connection with the sale of furniture; and that the plaintiff, Grand Rapids Furniture Company, will be damaged in an amount greatly in excess of $3,000, exclusive of interest and costs, by the use by the defendant of its name, Grand Rapids Furniture Co.; and that the reputation, popularity, and good will of Grand Rapids furniture, manufactured and sold by the plaintiffs, will be irreparably injured.

The Court entered three conclusions of law as follows: That it has jurisdiction over the defendant, Grand Rapids Furniture Co.; that the complaint and the facts found by the Court present a case cognizable by a District Court of the United States sitting in equity, and

that the Court has jurisdiction of the subject matter; and that the plaintiffs are entitled to the relief prayed for, and that the temporary injunction should be made permanent.

Thereupon a final decree was entered, that the temporary injunction be made permanent and perpetual, enjoining the defendant, among other things, from operating as a corporation under the name "Grand Rapids Furniture Company" or any similar name, "or any name using the words 'Grand Rapids' ", and from using such name in connection with any corporate entity already existing.

An appeal was taken by the defendant from such final decree. The Circuit Court of Appeals affirmed without opinion, and this petition seeks certiorari to review that judgment of the Circuit Court of Appeals.

ASSIGNMENTS OF ERROR.

The Court erred in affirming the decree of the District Court which held that the value of the matter in dispute exceeds the sum of $3,000, exclusive of interest and costs, whereas the Court should have reversed the decree of the District Court with directions to dismiss the suit for want of jurisdiction, because the plaintiffs failed to prove the statutory jurisdictional amount.

The Court erred in affirming the decree of the District Court which held that the words "Grand Rapids" have acquired a special significance in the trade, and that the plaintiffs manufactured, produced and sold furniture which was known and designated as "Grand Rapids furniture", and that the name "Grand Rapids" was a

common law trade name belonging to the plaintiffs, whereas the Court should have reversed the decree of the District Court on the ground that the words "Grand Rapids" are a geographical or territorial name, and cannot be exclusively adopted by the plaintiffs as a trade name to designate their furniture, that in any event, the words "Grand Rapids" have not acquired a special significance in the trade, and have not been adopted by the plaintiffs, or any of them as a trade name to designate the furniture manufactured by them.

The Court erred in affirming the decree of the District Court, which enjoined, restrained and prohibited the defendant from using the words "Grand Rapids" in its corporate name, from operating as a corporation under the name "Grand Rapids Furniture Company" or any similar name, "or any name using the words 'Grand Rapids' ", from using such name in connection with any corporate entity already existing, and from using any such corporate entity already existing, whereas the Court should have held that the words "Grand Rapids" had never been adopted by the plaintiffs or any one or more of them as the trade name of their goods and products; and that the words "Grand Rapids" were merely a regional or territorial term and could not be exclusively appropriated by the plaintiffs as a trade name; and that the words "Grand Rapids" have never acquired a secondary meaning to designate the goods and products of the plaintiffs or any one or more of them.

The Court should have held that the injunction restraining the defendant from the use of the words "Grand Rapids" in its corporate name, and from exercising its corporate entity was contrary to the rule of law established by the decisions of the Courts of Illinois, and exceeded the bounds of equity jurisdiction.

The Court should have held that the final decree of the District Court should be reversed on the ground that the defendant had not been guilty of "palming-off" or passing off its goods and merchandise as those of the plaintiffs or any one or more of them.

PROPOSITIONS OF LAW.

A.

The District Court of the United States Did Not Have Jurisdiction of This Case.

The statutory jurisdictional amount was not involved and was not proved.

28 U. S. C. A. Sec. 41.

(a) This is not a class suit.

Gibbs v. *Buck*, 307 U. S. 66.

Harvey v. *American Coal Company*, 50 Fed. (2nd) 832.

(b) The aggregation of claims of numerous plaintiffs is not sufficient to confer jurisdiction under the statute.

Clark v. *Paul Gray Inc.*, 306 U. S. 583.

Pinel v. *Pinel*, 240 U. S. 594.

(c) The magnitude of the operations of the plaintiffs is not sufficient to confer jurisdiction.

K. V. O. S. v. *Associated Press*, 299 U. S. 269.

McNutt v. *General Motors Acceptance Corp.*, 298 U. S. 178.

McNutt v. *McHenry Co.*, 298 U. S. 190.

(d) A general allegation that the amount in controversy exceeds the jurisdictional amount is not sufficient.

Hague v. *C. I. O.*, 307 U. S. 496.

Clark v. *Paul Gray Inc.*, 306 U. S. 583.

Hilliker v. *Grand Lodge*, 112 Fed. (2nd) 382.

(e) A general finding of fact that the jurisdictional amount is involved is not sufficient to give the Court general jurisdiction of the case.

McNutt v. *McHenry Co.*, 298 U. S. 190.

B.

Injunctive Relief in So-called Unfair Competition Or Unfair Trade Practices Cases Is Only Granted to Prevent Anticipated Damage to the Plaintiff By the "Palming-off" Or Passing Off By the Defendant of Its Goods and Merchandise Or Services As Those of the Plaintiff.

(a) The law of Illinois is declared by the following cases:

DeLong Hook & Eye Co. v. *Hump Hairpin Mfg. Co.*, 297 Ill. 359.

Stevens-Davis v. *Mather*, 230 Ill. App. 45.

Ambassador Hotel Corp. v. *Hotel Sherman*, 226 Ill. App. 247.

Yellow Cab Co. v. *Ensler*, 214 Ill. App. 607.

Elgin Butter Co. v. *Elgin Creamery Co.*, 155 Ill. 157.

Hazelton Boiler Co. v. *Hazelton Tripod Boiler Co.*, 142 Ill. 494.

Lady Esther, Ltd. v. *Lady Esther Corset Shoppe*, 317 Ill. App. 451.

Allegretti v. *Allegretti Chocolate Cream Co.*, 177 Ill. 129.

Nestor Johnson Mfg. Co. v. *Alfred Johnson* Skate Co., 313 Ill. 106.

(b) The Federal Court cases are the following:

Castner v. *Coffman*, 178 U. S. 168.

Howe Scale Co. v. *Wyckoff*, 198 U. S. 118.

Queen Mfg. Co. v. *Ginsberg*, 25 Fed. (2nd) 284.

Rouss v. *Winchester Co.*, 300 Fed. 706.

Borden Ice Cream Co. v. *Borden Condensed Milk Co.*, 201 Fed. 510.

American Washboard Co. v. *Saginaw Mfg. Co.*, 103 Fed. 281.

Lawyers Title Ins. Co. v. *Lawyers Title Ins. Corp.*, 109 Fed. (2nd) 35.

Harvey v. *American Coal Co.*, 50 Fed. (2nd) 832.

Elgin Watch Co. v. *Illinois Watch Co.*, 179 U. S. 665.

Herring-Hall-Marvin Safe Co. v. *Hall Safe Co.*, 208 U. S. 554.

Keystone Oil & Mfg. Co. v. *Buzby*, 219 Fed. 473.

Knabe Bros Co. v. *American Piano Co.*, 229 Fed. 23.

Mutual Export Corp. v. *Mutual Export Corp. of America*, 241 Fed. 137.

Maytag Co. v. *Meadows Mfg. Co.*, 35 Fed. (2nd) 403; *cer. den.* 281 U. S. 737.

Armstrong Paint & Varnish Works v. *Nu-*Enamel Corp., 305 U. S. 315.

Addressograph Corp. v. *American Expansion Bolt Co.*, 124 Fed. (2nd) 70; *cer. den.* 316 U. S. 692.

Time, Inc. v. *Viobin Corp.*, 128 Fed. (2nd) 860.

Chickering v. *Chickering & Sons*, 215 Fed. 490.

Elgin National Watch Co. v. *Loveland*, 132 Fed. 41.

C.

An Injunction Restraining and Prohibiting the Defendant From Using the Words "Grand Rapids" in Its Corporate Name, and From Using Its Corporate Entity Was Not in Accordance With the Law of Illinois, and Was an Excessive Exercise of the Power of Equity.

Imperial Mfg. Co. v. *Schwartz*, 105 Ill. App. 525.

Chicago Directory Co. v. *Herringshaw*, 187 Ill. App. 489.

Warshawsky & Co. v. *A: Warshawsky & Co.*, 257 Ill. App. 575.

Hazelton Boiler Co. v. *Hazelton Tripod Boiler Co.*, 142 Ill. 494.

Allegretti v. *Allegretti Chocolate Cream Co.*, 177 Ill. 129.

Nestor Johnson Mfg. Co. v. *Alfred Johnson Skate Co.*, 313 Ill. 106.

DeLong Hook & Eye Co. v. *Hump Hairpin Mfg. Co.*, 297 Ill. 359.

Howe Scale Co. v. *Wyckoff*, 198 U. S. 118.

Elgin National Watch Co. v. *Loveland*, 132 Fed. 41.

Elgin Watch Co. v. *Illinois Watch Co.*, 179 U. S. 665.

Borden Ice Cream Co. v. *Borden Condensed Milk Co.*, 201 Fed. 510.

Chickering v. *Chickering & Sons*, 215 Fed. 490.

Keystone Oil & Mfg. Co. v. *Buzby*, 219 Fed. 493.

Lawyers Title Ins. Co. v. *Lawyers Title Ins. Corp.*, 109 Fed. (2nd) 35.

ARGUMENT.

A.

The District Court of the United States Did Not Have Jurisdiction of This Case. The Statutory Jurisdictional Amount Was Not Involved and Was Not Proved.

In its opinion, affirming the interlocutory decree for a temporary injunction in this case, the Circuit Court of Appeals said, "We are convinced that the instant case is a class suit," and cited *Gibbs* v. *Buck*, 307 U. S. 66, and counsel for plaintiffs so contend. But we respectfully submit that the instant case is not a class suit, and is to be distinguished from *Gibbs* v. *Buck*, 307 U. S. 66; *Harvey* v. *American Coal Co.*, 50 Fed. (2nd) 832; *Thomson* v. *Gaskill*, 315 U. S. 442.

True, the plaintiffs in the instant case were members of the Furniture Manufacturers' Association, but the Circuit Court of Appeals said that it is not necessary to decide whether the Association is an interested party, just as this Court said that it was not necessary to decide whether the Society in the case of *Gibbs* v. *Buck*, *supra*, was an interested party.

As a matter of fact, the Circuit Court of Appeals itself distinguished the instant case from *Gibbs* v. *Buck*, *supra*, by saying, "In the instant case we have a common cause of action". The supposed common cause of action was the alleged infringement by the defendant upon the exclusive right to the use of the words "Grand Rapids" as a trade name, supposed to be owned in

common by the plaintiffs, which gave them the supposed common claim. It is our contention that the complaint does not allege, and neither does the evidence show, that the plaintiffs jointly owned the trade name "Grand Rapids", or that they had a joint claim for damages for its alleged infringement. On the contrary, as we will show more fully below, the words "Grand Rapids" are not a trade name in any sense of the word, and such trade name was not jointly owned by the plaintiffs. In fact, the Circuit Court of Appeals itself recognized that the plaintiffs in the instant case did not have a joint claim, or an undivided interest in the trade name "Grand Rapids", because it went on to say that if any one plaintiff should, in a single suit, recover on the demand here made, that judgment would, of itself, furnish all the relief which the other plaintiffs are here demanding, except as to the amount of damages. We submit that if each plaintiff is limited in its recovery to the damages sustained by it, there can be no joint interest nor common ownership. In fact, the Circuit Court of Appeals recognized this rule by citing Rule 23 of the Federal Rules of Civil Procedure, which provides that one or more persons may sue on behalf of themselves and on behalf of all others similarly situated "when the character of the right sought to be enforced for the class is several, and there is a common question of law or fact affecting the several rights and a common relief is sought." We concede that there may have been common questions of law or fact, and that a common relief was sought, but we insist that the complaint and the evidence both show that the rights of the several plaintiffs were several and not joint.

Where the rights sought to be enforced are several, the aggregation of numerous claims of plaintiffs is not

permitted in order to make up the necessary jurisdictional amount. In *Pinel* v. *Pinel*, 240 U. S. 594, there was an allegation that one of the plaintiffs owned an undivided one-eighth and the other plaintiff owned an undivided two-eighths, or that both plaintiffs owned an undivided three-eighths, which are of the value of $4,500, and this Court said on page 596:

> "The settled rule is that when two or more plaintiffs, having separate and distinct demands, unite in a single suit, it is essential that the demand of each be of the requisite jurisdictional amount."

And on page 597, this Court went on to say:

> "The above allegation is not a legal equivalent of saying that the interest of either (of the plaintiffs) is of the value of more than $3,000 * * * It does not satisfactorily appear that the interest claimed by either plaintiff is sufficient in value to confer jurisdiction, and hence the bill was properly dismissed."

It was held by this Court in *Hague* v. *C. I. O.*, 307 U. S. 496, that a mere averment of the amount in controversy does not confer jurisdiction, and this Court again said, on page 508, that the plaintiffs may not aggregate their interests in order to attain the amount necessary to give the District Court jurisdiction of the case.

In *Clark* v. *Paul Gray, Inc.*, 306 U. S. 583, this Court said, on page 588, that a general allegation that the amount involved exceeds $3,000 is not sufficient to satisfy the jurisdictional requirements where there are numerous plaintiffs having no joint or common interest or title in the subject matter, and this Court went on to say:

> "As the bill shows on its face, each plaintiff maintains its own separate independent business * * * (page 589). It is a familiar rule that when several

> plaintiffs assert separate and distinct demands in a single suit the amount involved in each separate controversy must be of the requisite amount to be within the jurisdiction of the District Court, and those amounts cannot be added together to satisfy the jurisdictional requirement. * * * The first allegation gives no indication that the amount in controversy with respect to the claim of any single plaintiff exceeds the jurisdictional amount, and is insufficient to show that the District Court had jurisdiction of the cause."

The language of this Court last above quoted seems to us particularly applicable to the instant case, where each of the plaintiffs maintains its own separate independent business, and asserts a separate and distinct demand, and have no joint ownership or common interest in the subject matter, even though they are joined as co-plaintiffs in the same case by reason of the fact that "there is a common question of law or fact affecting the several rights and a common relief is sought." A witness for the plaintiffs testified on cross-examination (Rec. 29) "the competition (between the plaintiffs) is very keen."

Counsel for plaintiffs relied on the case of *Harvey* v. *American Coal Company*, 50 Fed. (2nd) 832, but a careful examination of this case will show that it supports the position of the defendant rather than that of the plaintiffs. The Court of Appeals in that case pointed out that the plaintiffs in that case joined as co-plaintiffs in order to avoid a multiplicity of suits, and that such a single action may be brought by those *similarly* interested in the same subject matter, but the Court emphasized that the plaintiffs in that case were *severally* interested (page 834), and consequently, must have found

that they had all proved the allegation in the complaint, which alleged that *each* plaintiff had built up a large trade in Pocahontas Coal (page 834). The Court went on to point out that the right sought to be protected in that case was the trade name, a thing common to each plaintiff and indivisible among them and of as much value to one alone as to the group, and the exclusive use of that name. In the instant case, we again insist that there is no allegation in the complaint, and no proof, that there is any trade name in the legal sense of the word owned in common by the plaintiffs in the case at bar, or by any one of them severally.

In the case of *Harvey* v. *American Coal Company, supra*, the Court referred to the case of *Pillsbury Flour Mills* v. *Eagle*, 861 Fed. 608. In that case, numerous plaintiffs had agreed among themselves to place the trade name in question upon the sacks and barrels containing the flour manufactured at their respective mills, and the Court in that case said, on page 621, that the trade name meant that the flour in the container was made and put out by some one of the plaintiff's mills. No such situation as that exists in the instant case. It is admitted that none of the plaintiffs placed the words "Grand Rapids" on its furniture, and that the words "Grand Rapids" did not designate or identify the furniture manufactured and produced by the plaintiffs, or by any one or more of them. Even the plaintiff, Grand Rapids Furniture Company of Grand Rapids, Michigan, does not designate its product by any such name.

The instant case is much like the case of *Castner* v. *Coffman*, 178 U. S. 168. In that case a group of producers of coal entered into a combination under the name and style of Pocahontas Coal Company, organized

for the purpose of handling all the coal from the region of the members of the combination, and became known as shippers of celebrated Pocahontas Coal, and the product of all of the producers was termed Pocahontas Coal, just contrary to the facts in the instant case. The plaintiffs in that case charged that the defendants advertised their coal as Pocahontas coal, when in fact it was inferior and impure, with the intent to "palm-off" or pass off their product as the product of the plaintiff. This Court affirmed a decree of the Circuit Court of Appeals, dismissing the complaint for want of equity, Mr. Justice White writing the opinion, and said that the defendants could not be deprived of the use of the word Pocahontas as applied to the coal produced and shipped by them, even though coal sold by the plaintiffs had come to have an enhanced reputation as Pocahontas coal by virtue of careful grading and inspection by the plaintiffs.

The evidence in the instant case is that all of the plaintiffs have invested eight to ten million dollars in plant and equipment, and that all of the plaintiffs have average annual sales in the Chicago district of approximately $800,000 a year. No attempt was made by the plaintiffs, or any of them, to show how much any one of them had invested in plant and equipment or what the average annual sales of any one of them was. For all that appears, the eight to ten million dollars in plant and equipment may have been invested by the plaintiff, Grand Rapids Furniture Company and any one of the other 29 plaintiffs, and the average annual sales of $800,000 a year may have been made up by the sales of the plaintiff, Grand Rapids Furniture Company, and any one of the other 29 plaintiffs. But it is impossible to determine, from the complaint and the

evidence, which one of the plaintiffs had investments in plant and equipment of eight to ten million dollars, and which one of the plaintiffs made average annual sales of $800,000.

But in any event, the magnitude of the operations of the plaintiffs is not the test of whether the jurisdictional amount is in controversy under the statute. In *K. V. O. S.* v. *Associated Press*, 299 U. S. 269, this Court said at page 279:

> "As pointed out in the *McNutt* case, the factor of the magnitude of the respondent's operations and expenditures is irrelevant on the issue of the value of the right for which protection is sought."

And on page 277, this Court said:

> "We hold that the respondent had the burden of showing that the case was within the District Court's jurisdiction, and failed to carry it * * * The right sought to be protected was to conduct its business free of alleged unlawful interference."

So we contend in the instant case that the only right which the plaintiffs have, and for which they seek protection, is to conduct their business free from *alleged* unlawful interference. We will show below that the defendant was not guilty of any unlawful interference with the conduct of the business of the plaintiffs. Our only point here and now is that the plaintiffs did not show that the value of their right to conduct their business free from alleged unlawful interference had any value.

The general finding of fact that the jurisdictional amount is involved is not sufficient. *McNutt* v. *McHenry Co.*, 298 U. S. 190. In its argument, the plaintiff in

that case referred to the facts found by the District Court as to the net worth of its business, the amount of stock on hand, its sales, its percentage of sales on time, its expectation of sales in the future, and its present and future earnings, and this Court said on page 192:

> "The District Court made findings with respect to the character and extent of the plaintiff's business, but the record contains no findings or evidence showing the amount of the loss which would be caused (to the plaintiff).

The language last above quoted appears to be particularly appropriate to the facts in the instant case.

We conclude on this branch of the case that the District Court did not have jurisdiction of the subject matter of this suit, on the ground that the jurisdictional amount required by the statute was not proved to be in controversy, although the allegation in the complaint was properly challenged by the denial by the defendant in its answer, that there was nothing of value in controversy, and that the magnitude of the operations and expenditures of the plaintiffs is irrelevant on the issue of the value of the matter in controversy.

B.

In Illinois, Unfair Competition Is a Convenient Term for "Palming-off" Or Passing Off By the Defendant of Its Goods and Merchandise As the Goods and Merchandise of the Plaintiffs, and in Illinois Where There Is No "Palming-off", There Is No Unfair Competition.

An early case in Illinois was *Rubel* v. *Allegretti Chocolate Cream Co.*, 76 Ill. App. 581, in which the Appellate Court for the First District of Illinois said on page 589, that one firm is not at liberty to so use or assimilate the name of another firm or corporation as to pass themselves off for that other firm, or its goods for the goods of that other firm, and on page 590, that it is a fraud * * * that some other person should assume the same name, or the same name with a slight variation, in such a way as to induce persons to deal with him in the belief that they are dealing with a person who has gained a reputation for the name. This case was affirmed by the Supreme Court of Illinois in *Allegretti* v. *Allegretti Chocolate Cream Co.*, 177 Ill. 129, where the Court said, on page 132, that the defendants had a right to open their business under the name of Allegretti, provided they did so without any act to mislead dealers in the market or the public at large as to the identity of the firm.

The next case in Illinois was *Imperial Mfg. Co.* v. *Schwartz*, 105 Ill. App. 525, in which the Appellate Court of Illinois held that an injunction is proper which merely

restrains the defendants from using the name of the plaintiff to secure or appropriate to themselves the name, business or reputation of the plaintiff.

The next case in Illinois was *Chicago Directory Co.* v. *Herringshaw*, 187 Ill. App. 489, in which the Appellate Court of Illinois said on page 499, that unfair competition consists in passing off upon the public the goods or business of one person as or for the goods or business of another, and that the Courts should be careful to confine themselves to preventing imposition by some real resemblance in name or dress of goods.

The next case in Illinois was *Yellow Cab Co.* v. *Ensler*, 214 Ill. App. 607, certiorari denied by Supreme Court of Illinois, in which the Appellate Court for Illinois said on page 610, that the fundamental principle underlying the law of unfair competition is that one may not pass off his goods as the goods of another.

The next important case in Illinois was *Ambassador Hotel Corp.* v. *Hotel Sherman*, 226 Ill. App. 247, certiorari denied by Supreme Court of Illinois, in which the plaintiffs appealed from a decree sustaining a demurrer to their bill of complaint and dismissing the bill. The complaint alleged that the defendant intended to appropriate to itself the good will of the plaintiffs by adopting the name of Ambassador for a hotel erected and maintained by it, by misleading the public to believe that it was affiliated with the plaintiffs, alleged that patrons will be misled by the identity of names, and that the inferiority of service in the hotel, named and operated by the defendant, would result in loss of patronage to the plaintiffs, and would damage the credit of the plaintiffs. The Appellate Court for Illinois said, on

page 260, that a trade name is merely a protection for good will, and is not the subject of property except in connection with an existing business, and that the only theory on which the bill would lie is that known as unfair competition, in other words, that a name used by the defendant had previously come to be known as indicating or designating the goods or business of the plaintiffs, and that the defendant is passing off his own goods or business as those of the plaintiffs by using their trade name. The Court went on to say, on page 261, that the rights of the plaintiffs cannot be based on the weakness of the defendant's right, but must be established upon the affirmative fact that the plaintiffs had such a property right in the use of the name as made defendant's use of it an infringement. Here the Court went on to say, on page 267, that no facts were alleged in the complaint tending to show that the good will alleged to be possessed by the plaintiffs attached to the name of any one of them more than to that of any of the others. Finally, the Court said, on page 272, that the right of action in such cases is not based on possible fraud or imposition on the public, but is maintained solely for the protection of the property rights of the plaintiff.

The next important case in Illinois was *Stevens-Davis Co.* v. *Mather*, 230 Ill. App. 45, in which the Court said, on page 62, that the "palming-off" doctrine has been accepted by the Courts in England and America as the rule of law itself, and on page 65, that the Courts of Illinois announced the "palming-off" doctrine as the rule of law itself, in other words, the test by which it is determined whether a given state of facts consists of unfair competition as a matter of law, and that the "palming-off" doctrine has been followed by both state

and federal courts in an almost unbroken line of decisions as a rule of law, and that the Courts of Illinois deem it a rule of law. The Court went on to say, on page 66, that it was unable to discover any other general rule, that each case is not to be left to the discretion of the Court according to the Court's idea of justice and right, but that the "palming-off" doctrine is expressed in a positive, concrete form, and does not admit of broadening or widening by any proper judicial processes. The bill in that case was dismissed for want of equity because it did not sufficiently state a case of "palming-off".

The language in the case of *Stevens-Davis Co.* v. *Mather,* quoted in the preceding paragraph, is adopted almost verbatim by the Circuit Court of Appeals for the Seventh Circuit, in the case of *Time Inc.* v. *Viobin Corp.,* 128 Fed. (2nd) 860, which was a case of unfair competition, where the plaintiff alleged that the defendant had "palmed-off" its wares as those of the magazine publisher. But the Court held that although the mark of the defendant was similar to the one first adopted by the plaintiff, there was no unfair competition because there was no "palming-off". In this case the Court said that the "palming-off" doctrine in Illinois law holds that unfair competition consists in selling goods of one manufacturer for those of another, the doctrine is rigid, and each case is not to be left to the discretion of the Court to be decided according to the Court's idea of justice and right. It is to be feared, and with all due respect to the Court below, we submit, that the Court in the instant case allowed itself to be swayed by its "discretion" and decided the case according to the "Court's idea of justice and right", contrary to the established law of Illinois.

Likewise in the case of *Addressograph Corp.* v. *American Expansion Bolt Co.*, 124 Fed. (2nd) 70, the same Court said that the "palming-off" doctrine is the rule of law in Illinois.

Likewise, the "palming-off" doctrine has been approved by this Court as late as 1938 in the case of *Armstrong Paint & Varnish Works* v. *Nu-Enamel Corp.*, 305 U. S. 315, in which the petitioner had adopted a modified form of the trade name used by the respondent to designate its products. We repeat that the alleged trade name "Grand Rapids" was not a trade name in any sense of the word, had never been used or adopted by the plaintiffs, or any one or more of them to designate their products, and had never been infringed by the defendant, the petitioner herein.

The latest case in Illinois is *Lady Esther, Ltd.* v. *Lady Esther Corset Shoppe Inc.*, 317 Ill. App. 451, in which the Appellate Court of Illinois affirmed a decree for a permanent injunction to restrain the defendant from using the words "Lady Esther". It did so solely on the ground that the words "Lady Esther" had become a trade name, and a symbol, for cosmetics and toilet goods of high quality and excellence, and that the said trade name had become identified with the products of the plaintiff, and had for many years designated the products of the plaintiff, and that the trade name itself had become known as belonging to the plaintiff and was its property. Although the Court disclaimed basing its decision on the doctrine of "palming-off", nevertheless the language of the whole opinion is to the effect that "an injunction will not issue unless it is made to appear that the use of the name will result in injury to the plaintiff, and that the test should be whether the

public is likely to be deceived", in other words, whether the defendant is "palming-off" or attempting to "palm-off" its goods as those of the plaintiff.

In the case of *Elgin Butter Co.* v. *Elgin Creamery Co.*, 155 Ill. 127, the Supreme Court of Illinois said that the defendant cannot be enjoined from using the word "Elgin" in its corporate name in the absence of any artifice to mislead, in other words, in the absence of any "palming-off" of its goods as the goods of the plaintiff. The bill of complaint in that case alleged that the corporate name of the defendant tended to deceive and mislead the public by being mistaken for the plaintiff, and that consequently, there was danger that the public would falsely believe that the defendant is the same as the plaintiff, and that the defendant's products are the same as the plaintiff's products. But in spite of this allegation of confusion between the names of the two companies, the Supreme Court of Illinois held that a demurrer to the complaint was properly sustained, because of the failure of the complaint to allege any "palming-off".

Likewise in the case of *Hazelton Boiler Co.* v. *Hazelton Tripod Boiler Co.*, 142 Ill. 494, the Supreme Court of Illinois held, on page 509, that there was no evidence that the defendant, notwithstanding the similarity in names between its name and the name of the plaintiff, had ever attempted to "palm-off" its products as those of the plaintiff.

Again in the case of *DeLong Hook & Eye Co.* v. *Hump Hairpin Mfg. Co.*, 297 Ill. 359, the Supreme Court of Illinois said, on page 365, that the question in unfair competition is whether the marks and devices of the defendant are such as to deceive purchasers, with the

result that the goods of the defendant are "palmed-off" as the goods of the plaintiff, that when a merchant has used a word in such a way that it has become identified with his products, another will not be permitted to use the same word so as to lead purchasers to believe they are buying the goods of the former, that the Courts will protect the market and reputation of a dealer against acts which tend to deceive the public into believing that the goods of another are his goods and to pass them off as such, that the name of a place may have become associated with the products of a particular manufacturer in such a way that merely attaching the word to an article of the same kind would amount to a misrepresentation, and on page 366, that the defendant could be enjoined from using the word Hump to describe its goods only in case the word has come to have a secondary meaning, *viz.*, that all the goods bearing that name are of the plaintiff's manufacture, that the plaintiff has a right to have the defendant enjoined from using such a name only where it misleads the buyers into believing that the defendant's goods are of the plaintiff's manufacture, and on page 367, that the only basis on which relief could be properly granted to the plaintiff is that the word has acquired such a special meaning in the trade as to indicate that the plaintiff is the manufacturer of any article to which the word may be applied, and on page 369, that the burden of proof is on the plaintiff to show by substantial evidence that the use of the word will result in passing off the goods of the defendant as those of the plaintiff, and that the record does not show that the goods of the plaintiff were commonly known by the name Hump. No more does the record in the instant case show that the goods of the plaintiffs or of any one or more of them were commonly known by the name "Grand Rapids".

Finally, in the case of *Nestor Johnson Mfg. Co.* v. *Alfred Johnson Skate Co.*, 313 Ill. 106, the Supreme Court of Illinois, said at page 112, that the question is whether purchasers were induced to buy the defendant's products believing they were buying the products of the plaintiff. It found from the evidence that the word "Johnson" was the mark by which the goods of the plaintiff were identified. It is to be noted that in the instant case, the words "Grand Rapids" were never used by the plaintiffs, or any one or more of them, to identify their products.

C.

An Injunction Restraining and Prohibiting the Defendant From Using the Words "Grand Rapids" in Its Corporate Name, and From Exercising Its Corporate Entity Was Not in Accordance With the Law of Illinois, and Was an Excessive Exercise of the Power of Equity.

On this branch of the case, the law of Illinois is equally well settled as on the question of unfair competition.

As early as the case of *Imperial Mfg. Co.* v. *Schwartz*, 105 Ill. App. 525, the principle was laid down by the Appellate Court of Illinois that an injunction is sufficient which restrains the defendant from using its corporate name to secure or appropriate to itself the name, business, or reputation of the plaintiff, and that otherwise the corporation will not be restrained from using its corporate name.

In *Chicago Directory Co.* v. *Herringshaw*, 187 Ill. App. 489, the Appellate Court of Illinois declared that the Courts should be careful not to interfere with free and fair competition, and to confine themselves to preventing

imposition from some real resemblance in name. This case is persuasive on this point, inasmuch as the evidence in the instant case was to the effect that the plaintiffs, and especially the plaintiff Grand Rapids Furniture Company of Grand Rapids, Michigan, sold their products exclusively to retail dealers in the Chicago area, and did not sell direct to consumers, did no direct-to-customer advertising, and therefore were not in any danger of incurring any loss by the defendant "palming-off" its goods as the goods of the plaintiff. The defendant confined its activities entirely to selling inferior and low cost merchandise to consumers of very moderate means, and made no attempt to represent its goods as the goods of the plaintiffs, and made no attempt to represent itself as being the same as, or a branch of, the plaintiff, Grand Rapids Furniture Company of Grand Rapids, Michigan. The defendant, the Grand Rapids Furniture Company, is an Illinois corporation, incorporated and existing under the laws of the sovereign State of Illinois, and under the rule stated in *Howe Scale Co.* v. *Wyckoff*, 198 U. S. 118, mere confusion in names is no ground for enjoining the defendant from using its corporate name.

In the case of *Warshawsky & Co.* v. *A. Warshawsky & Co.*, 257 Ill. App. 575, the Appellate Court of Illinois for the First District held that an injunction against the use of its corporate name by the defendant is too drastic. In that case, the trial court had issued an injunction restraining the defendant from using the name A. Warshawsky & Co. Inc., and from using the word Warshawsky in its corporate name, and from representing that the defendant was connected with the plaintiff, and from using the word Warshawsky in any manner whatever unless there were added to it the words "not connected with the original Warshawsky & Co." The reviewing

court was of the opinion that the evidence showed that the defendant had held itself out as a branch of the plaintiff, and that some confusion had resulted, but on page 584, the court said they were of the opinion that the injunction against the use of the corporate name and against the use of the word Warshawsky was too drastic. On page 585, the court pointed out that the defendant corporation had a charter and franchise from the State of Illinois, authorizing it to do a lawful business, and that the injunction virtually prohibited the defendant from exercising its charter powers, and using its corporate name. The court further said that the injunction was too drastic in requiring the use of the word "original" in the phrase "not connected with the original Warshawsky & Co." The court said that the object of such suits is to prevent the "palming-off" of the defendant's goods as the goods of the plaintiff by deception of purchasers, and that the decree was sufficient without requiring the use of the word "original" in the above phrase. Consequently, the injunction was modified to enjoin the use of the word "Warshawsky" unless accompanied with the words "not connected with Warshawsky & Co." If there were any basis at all in the instant case for an injunction, such injunction should not have gone any farther than to prohibit the use of the words "Grand Rapids", unless accompanied with the phrase, "not connected with the Grand Rapids Furniture Company of Grand Rapids, Michigan."

It is true that in the case of *Lady Esther Ltd.* v. *Lady Esther Corset Shoppe Inc.*, 317 Ill. App. 451, the Court enjoined the use of the words "Lady Esther", but that was only because those words had become a well recognized trade name belonging to the plaintiff, and designated its wares, and designated a superior quality and

excellence of those wares. The Court did not restrain the defendant from the use of the words "Lady Esther" in its corporate name, but only from applying those words to its wares.

In the case of *Hazelton Boiler Co.* v. *Hazelton Tripod Boiler Co.*, 142 Ill. 494, it appeared that both corporations sold their wares directly to consumers, so that there was more or less direct competition, and yet the Supreme Court of Illinois refused to enjoin the defendant from the use of the word Hazelton in its corporate name, and even in applying it to its products, because there was no evidence that the defendant had ever attempted to "palm-off" its products as being of the plaintiff's manufacture. Moreover, the plaintiff in that case was a foreign corporation, just as are the plaintiffs in the instant case, and the Supreme Court of Illinois said, on page 505, that a foreign corporation can have no standing to come into the courts of Illinois to contest the right of a domestic corporation to its use of a name bestowed by the state in the exercise of its sovereignty. An injunction against the use of the corporate name of the defendant was denied.

In the case of *Allegretti* v. *Allegretti Chocolate Cream Co.*, 177 Ill. 129, the Supreme Court of Illinois said that the defendants had a right to open their business under the name of Allegretti & Co., provided they did not mislead the public as to the identity of their concern with that of a company previously known by the same name, and that they might use the name of Allegretti, providing they did so in a manner indicating that their goods are manufactured and sold by Rubel and Giacomo Allegretti, and not by Ignazio Allegretti or by Allegretti Chocolate Cream Co.

In the case of *Nestor Johnson Mfg. Co.* v. *Alfred Johnson Skate Co.*, 313 Ill. 106, the plaintiff sought to enjoin the defendant from the use of the word Johnson in its corporate name, on the ground that the word Johnson had come to designate the products of the plaintiff, and to designate goods of a superior quality and excellence produced by the plaintiffs, but the Supreme Court of Illinois not only refused to enjoin the use of the word Johnson by the defendant, but also refused to require the defendant to employ the word "original" in the phrase, "not connected with the original Nestor Johnson Mfg. Co.".

In the case of *DeLong Hook & Eye Co.* v. *Hump Hairpin Mfg. Co.*, 297 Ill. 359, the Supreme Court of Illinois said that a name may be associated with the product of a *particular* manufacturer, but that even in such a case, the use of the word cannot be prohibited. It can only be enjoined unless accompanied by such precautions as will distinguish the article produced by the defendant from the goods of the original manufacturer.

The foregoing cases from Illinois amply show that the law of Illinois, as declared by its courts, will not go to the extreme of enjoining the use of a corporate name, but will only require the defendant to take reasonable precautions to prevent confusion from the similarity of names. Certainly, no court, either state or national, has ever gone to the extreme of enjoining "the use by the defendant of its corporate entity", as was done in the instant case.

The overhelming majority of the decisions of the federal courts is in accord with the foregoing doctrine declared by the courts of Illinois. In the case of *Howe Scale Co.* v. *Wyckoff*, 198 U. S. 118, this court said that the

courts will not interfere where the only confusion results from a similarity of names, and that one corporation cannot restrain another from using in its title a name to which others have a common right, and that the law will only require the later man to take reasonable precautions to prevent mistakes. In the instant case, the plaintiff Grand Rapids Furniture Company of Grand Rapids, Michigan, is not even licensed to do business in the State of Illinois, and probably could not obtain a license, because its name is the same as that of the defendant, which is a domestic corporation, for the Corporation Act of Illinois provides that the name "shall not be the same as, or deceptively similar to, the name of another domestic corporation existing under any act of this State". 1943 Ill. Rev. Stats., chap. 32, paragraph 157.9, subparagraph (c). It is to be noted that this court reversed the case of *Howe Scale Co.* v. *Wyckoff* with directions to dismiss the bill of complaint.

In the case of *Elgin National Watch Co.* v. *Loveland*, 132 Fed. 41, the Circuit Court of Appeals granted an injunction to restrain the defendant from applying the word "Elgin" to its products, but refused to prohibit the defendant from completing its corporation under the name which had been duly authorized by another state, viz., the State of Illinois. If the court in that case would not restrain the defendant from completing its proposed incorporation in Illinois, which the authorities of this State had already authorized, how much more should the court in the instant case not have enjoined the use by the defendant "of its corporate entity already existing"?

In the case of *Elgin Watch Co.* v. *Illinois Watch Co.*, 179 U. S. 665, this court said, on page 667, that primarily the word "Elgin" merely described the place of manufacture, and that the defendants had the right to use it,

though not the right to use it without explanation or qualification, if such use would be an instrument of fraud. The final conclusion of this Court in that case was that the general rule applied, and that the geographical name Elgin could not be employed by, and its exclusive use vested in, the plaintiff as a trade-mark. In the same sense, Grand Rapids is a geographical name and cannot be exclusively employed and adopted by the plaintiffs in the instant case as a trade-mark, and as we have repeatedly pointed out, the evidence shows that none of the plaintiffs had ever used the name Grand Rapids in its secondary meaning as designating their products.

In the case of *Borden Ice Cream Co.* v. *Borden Condensed Milk Co.*, 201 Fed. 510, the Circuit Court of Appeals, for the same circuit which decided the instant case, said that the universal and fundamental test is not whether the public is likely to be deceived as to the maker or seller, and that if the rights of the original proprietor of the trade name are in no way interfered with, the deception of the public is no concern of a court of equity, citing *American Washboard Co.* v. *Saginaw Mfg. Co.*, 103 Fed. 281, in which the Circuit Court of Appeals for the Sixth Circuit also said that deception of the public by fraudulent means gives a right of action for unfair competition only where it results in the sale of defendant's goods as those of the plaintiff. The court went on to say, on page 514, that a court of equity cannot enforce the police power of the state, unless the property rights of the plaintiff are interfered with. It is to be feared, and with due respect to the lower court we submit, that the Court was swayed by the evidence of the customers of the defendant, who complained of misrepresentation as to quality and other breaches of warranty, and that the Court attempted to use the decree of a court of equity to

enforce the police power of the state. It is clear from the evidence that the complaining customers had no real basis for complaint, because they all kept the furniture they bought from the defendant, and paid for it, all but one, without any legal compulsion.

In the case of *Chickering* v. *Chickering & Sons,* 215 Fed. 490, the Circuit Court of Appeals for the Seventh Circuit said, on page 497, that the plaintiffs could have been fully protected and the supposed deception of the public prevented by compelling the defendant to place on the face of the instrument, in addition to the words "Chickering Brothers", some statement indicating that the product was not the original Chickering.

In the case of *Keystone Oil & Mfg. Co.* v. *Buzby,* 219 Fed. 473, the Circuit Court of Appeals for the Seventh Circuit said that where the defendant had used the word Keystone in its corporate name in Illinois before the plaintiff opened its branch office in Illinois, the use of the word Keystone should not be enjoined, even though both were engaged in active competition with each other in the same business of manufacturing and selling the same products. The only restriction imposed by the Court in that case was that the defendant should add to the container the words "Not the product of Keystone Lubricating Co." By analogy with that case, the plaintiff Grand Rapids Furniture Company of Grand Rapids, Michigan, in the instant case, upon opening a branch office in Chicago, should be required to add the words "not connected with Grand Rapids Furniture Company of Illinois", instead of the defendant Grand Rapids Furniture Company, an Illinois corporation, being restrained from using the name granted to it in its charter by the sovereign State of Illinois "and from using its corporate entity already existing".

In the case of *Lawyers Title Ins. Co.* v. *Lawyers Title Ins. Corp.*, 109 Fed. (2nd) 35, the plaintiff sought to restrain the defendant from using its corporate name which was identical with that of the plaintiff except that the defendant used the word Corporation, whereas the plaintiff used the word Company. The Circuit Court of Appeals for the District of Columbia said, on page 38, that the names are substantially identical, that the business is highly competitive, that the plaintiff was the first user of the name, and claims the exclusive right to the use of its name in connection with its good will, and alleged that the defendant was engaging in unfair competition. The Court went on to say, on page 43, that generally a prior proprietor may enjoin the use of an identical name by a subsequent arrival, but that the precaution is founded on the duplication of a name which is the core of another's good will, and the Court said further that an injunction in that case would prevent competition between the defendant and the plaintiff, which the plaintiff is not entitled to do, and finally, the Court said, on page 46, that it is not the function of equity to enable an enterprise, by incorporating it, to use its name as a sword for conquering the territory of competitors nor as a shield to protect its own from invasion. It is to be noted that this Court denied certiorari in that case in 60 S. Ct. 806.

Even in the case of *American Optometric Assn.* v. *Ritholz*, 110 Fed. (2nd) 883, in which the plaintiff was represented by the same counsel who represented the plaintiffs in the instant case, and in which the District Court found that the defendants caused their corporation to be organized as a colorable imitation of the plaintiff for purpose of deception and to defraud the plaintiff, the Court did not enjoin the defendant from using its corporate entity, nor even from the use of its corporate name, but merely

from further prosecution of malicious and unfounded actions at law in a number of states.

In the instant case there is no finding of malice, and there is no basis in the evidence for any finding of any intent to defraud, nor of any intent to annoy the plaintiffs or to cause them any damage. Neither is there any basis in the evidence for finding that the use by the defendant of the name Grand Rapids in its corporate name had ever caused the plaintiffs a penny's worth of damage. Neither is there any basis in the evidence for finding that the use by the defendant of its corporate name would be likely to cause a penny's worth of damage to any of the plaintiffs. Neither is there any basis in law for prohibiting the defendant from the use of its corporate name. Neither is there any basis in law for enjoining the defendant from the use of its corporate entity, which amounts practically to an involuntary dissolution.

For the reason that the District Court did not have jurisdiction of this case, because the statutory jurisdictional amount was not in controversy, and for the reason that the words "Grand Rapids" were not, and are not, a trade name belonging to the plaintiffs or any one of them and have never been adopted by the plaintiffs to designate their products, and for the reason that the defendant has not been guilty of unfair competition in that it has never sought to "palm-off" its goods as the goods of the plaintiffs, and has not caused the plaintiffs any damage, and is not likely to cause the plaintiffs any damage in the future, and for the reason that equity has no jurisdiction to enforce the police power of the state and to prevent misrepresentation and breaches of warranty where no damage to the property rights of the plaintiffs is shown, and because the courts of the United States

have no jurisdiction to dissolve involuntarily a corporation, duly organized and existing under the laws of the sovereign State of Illinois, by prohibiting it from using its corporate entity, or even by infringing on its franchise by prohibiting the use by it of the name granted to it by the sovereign State of Illinois, we respectfully submit that the Court should require by *certiorari* that the record of the Circuit Court of Appeals for the Seventh Circuit in this case should be certified to this Court for examination and review.

Respectfully submitted,

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